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AGRICULTURAL COOPERATION

LEGAL, ECONOMIC, AND ORGANIZATION INFORMATION COLLECTED BY THE DIVISION OF COOPERATIVE MARKETING,
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THIRTY YEARS OF COOPERATION AT LUCK, WISCONSIN

Farmers at Luck, Wisconsin, have been operating a cooperative creamery for more than thirty years. In 1895 the Atlas Creamery Company was organized. In 1917 its share capital amounted to \$2,500, shares of \$25 each being held by 100 individuals. Dividends on shares limited to 6 per cent annually were considered as interest on capital invested.

The association was reorganized in 1920 and its name changed to the Atlas Cooperative Creamery Company.

Since 1921 the creamery has been turning out more than 200,000 pounds of butter each season. The figures for the last three years are, 1924, 273,303 pounds; 1925, 279,971 pounds; 1926, 279,027 pounds. Patrons have received from 86 to 91 per cent of total sales. They received the higher per cent in 1919 and the lower per cent in 1922.

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TWIN CITY MILK ASSOCIATION TO ADVERTISE

An extensive advertising campaign has been planned by the Twin City Milk Producers' Association, St. Paul. An emblem, or trade-mark, has been designed, bearing the words, "Twin City Milk Producers' Association - A Guarantee of Purity." This is to be displayed on 454 milk wagons. The plans further provide for 200 display boards, 4 x 8 feet, throughout the city, also bearing the emblem and assuring the public that this mark on the milk wagons means fresh milk daily from inspected farms and urging the readers to drink more milk. These display boards are to have a change of copy every month for a year. Newspaper space is also to be used in advertising the merits of the milk supplied by members of the organization. Consumers will be advised that milk obtained from wagons bearing the emblem of the Twin City Milk Producers' Association is fresh, pure, and from clean herds, housed in modern sanitary barns which are constantly inspected. The cost of the advertising is to be shared equally by the Twin City association and the Minneapolis milk distributors.

A plan is under consideration for offering the emblem for display on the farms of the 7,000 members of the association.

CONNECTICUT CREAMERY FURNISHES UNIFORM REPORTS

A creamery which has furnished consistently uniform reports to the Department of Agriculture over a long period of years is the Lebanon Creamery Company, Lebanon, Conn., formed in 1885. From the statistical reports available the following table has been compiled:

Year	Butter made	Receipts from sales*	Paid patrons	Cost of making
	(Pounds)			(Cents per lb.)
1904	196,533	\$53,069	\$44,194	4.5
1905	188,092	58,592	45,137	4.5
1906	179,362	52,862	44,768	4.5
1907	-----	-----	-----	---
1908	174,708	57,053	48,284	5.0
1909	178,152	61,477	52,359	5.12
1910	207,655	75,521	65,580	4.75
1911	202,450	67,018	56,747	5.0
1912	166,336	62,434	53,232	5.5
1913	162,546	63,384	54,827	5.25
1914	151,703	54,969	46,932	5.33
1915	146,453	55,118	47,046	5.5
1916	145,547	58,667	50,985	5.25
1917	110,067	54,148	46,395	6.0
1918	91,988	56,413	48,717	5.75
1919	100,263	67,738	59,742	7.0
1920	98,669	70,536	61,569	9.0
1921	68,334	52,620	43,107	7.0
1922	74,118	48,695	39,088	6.5
1923	49,887	45,741	36,141	11.0
1924	47,423	41,786	32,414	10.0
1925	32,555	33,504	25,596	---
1926	23,943	22,901	16,227	---

*Including cream, buttermilk, and a small quantity of merchandise.

The patrons received from 71 per cent in 1926 to 88 per cent in 1919, of the receipts from sales. The percentages received by the growers were higher for the years with a large volume of business than for the years with the small volume.

In 1913 this organization had about 100 stockholders, ten years later the number was given as 75. One superintendent has been in charge since 1905, also serving in the capacity of buttermaker.

EFFICIENCY AND LOYALTY ARE FACTORS IN SUCCESS

To the "efficiency of the manager and the cooperation and loyalty of members" is attributed the success of the Cavett Equity Exchange Company, Van Wert, Ohio, which reported total sales of \$171,435 and net earnings of \$5,538 for the year ending June 30, 1927.

Produce sold included corn to the value of \$78,056; oats, \$63,092; and wheat, \$4,264. Livestock was also handled in limited quantities, and coal, twine, machinery, flour and feed, and some other supplies were purchased. About 90 per cent of the grain was sold "on track" and 10 per cent "to arrive." Five hundred bushels of seed grain was cleaned for farmers.

The company was organized in 1916 and has 113 stockholders and 200 patrons. Paid-in capital stock amounts to \$11,300, on which the dividends are limited to 5 per cent. During the year the company paid \$565 in stock dividends and about \$3,000 in patronage refunds. The elevator and equipment are valued at \$18,744, and the net worth is given as \$17,422. The average book value of each share of stock is \$154.18. Net earnings for the past five years have amounted to \$19,496, an average of \$3,899 per year.

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BUSINESS OF MICHIGAN ELEVATOR COMPANY IS INCREASING

Sales of the Caledonia Farmers' Elevator Company, Caledonia, Mich., for the 1926-27 season, aggregated \$386,000. Produce handled was valued as follows: wheat, \$110,388; corn, \$13,306; oats, \$11,825; rye, \$4,489; barley, \$1,657; beans, \$51,558; and sidelines handled had the following sales values: coal, \$24,789; twine, \$4,338; flour and feed, \$75,995; miscellaneous, \$87,647.

All grain was handled "on track." For news service regarding prices to farmers the company depended upon Western Union telegrams and the Elevator Exchange Bulletin. Four thousand bushels of seed grain was cleaned for farmers.

The company was formed in 1918 and has 364 stockholders and about 800 patrons. It is affiliated with the Michigan Elevator Exchange, and has a branch elevator at Dutton, Mich. Its paid-in capital stock amounts to \$39,150, with a par value of \$50 per share. Stock dividends are limited to 6 per cent. The plant and equipment are valued at \$51,023; there is a reserve for depreciation of \$10,845; and a surplus of \$14,335. A stock dividend paid in 1926-27 amounted to \$2,346.

Business transacted by this company in 1921 was reported as \$150,000; in 1922, \$200,000; 1923, \$200,000; 1924, \$197,000; 1925, \$305,000.

MANITOBA WHEAT GROWERS RECEIVE SECOND INTERIM PAYMENT

A second interim payment on wheat was made on July 25 by the Manitoba Cooperative Wheat Producers, Ltd., Winnipeg, Man. Growers received 20, 15 or 10 cents per bushel, according to grade. This payment brings the amount paid on No. 1 Northern and No. 1 Durum, to \$1.30, basis Fort William.

No payment was made on the coarse grains as the association hopes to close the coarse grain pool at an early date and to make the final payment.

Contracts are reported to be coming into the office at the rate of 150 to 200 a day.

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PATRONAGE REFUNDS BY KANSAS GRAIN ELEVATOR

Patronage refunds amounting to \$5,538 were made by the Farmers' Cooperative Elevator and Mercantile Association, Dighton, Kans., for the business year ending May 30, 1927. This refund was made on 132,015 bushels of wheat at $3\frac{1}{2}$ cents a bushel; 1,922 bushels of corn at 5 cents a bushel; on 176,990 pounds of other grains at 10 cents per hundredweight; and 7 per cent on purchases of coal and merchandise. Earnings on the business of nonshareholders amounted to \$1,959. Total grain sales by this association during the year amounted to \$245,179. Most of the grain was consigned to terminal markets. At the close of the business year the association had a net worth of \$25,558, including surplus and undistributed earnings of \$10,307.

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GRAIN SALES BY SOUTH DAKOTA ELEVATOR

Sales and shipments by the McIntosh Equity Union Exchange, Inc., McIntosh, S. D., amounted to about \$100,000 for the last business year. About 81 per cent of the total business consisted of the sale of grain, and about 19 per cent represented the sale of farm supplies such as flour, feed, coal, salt, twine, and miscellaneous merchandise.

Grain sales for the year included: wheat, 24,403 bushels; flax, 11,389 bushels; oats, 10,647 bushels, and corn, 9,325 bushels.

Gross earnings for the past year were, \$11,784, and net earnings \$3,660. General expenses for the year, including depreciation on property, amounted to \$8,123. At the close of the year the organization had a net worth of \$28,168.

The association was organized in 1917 by about 100 farmers who desired to control the marketing of their grain. Each farmer purchased one share of stock with a par value of \$100. To-day the association has 145 stockholders. Grain is handled for nonmembers. Dividends on capital stock are limited to 5 per cent.

COTTON GROWERS FORM LOCAL GINNING ASSOCIATION

Members of the Arkansas Cotton Growers' Cooperative Association, living in the vicinity of Blue Mountain, Logan County, have organized an association to build and operate a cotton gin in that town. There are more than 100 members of the association in that immediate vicinity and the gin will be built, owned and operated exclusively by cooperators. The new gin is expected to be ready for operation this fall. The management of the cotton association states that the Blue Mountain gin will be the first cooperative cotton gin in that part of the state.

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JOINT COMMITTEE OF COTTON PRODUCERS AND MANUFACTURERS TO MEET

Mutual problems of cotton producers and cotton manufacturers are to be considered by a joint committee early in September. This meeting is an outcome of a conference held last spring by officials of the American Cotton Manufacturers' Association and officials of the Cooperative cotton marketing associations, when the representatives of the two groups discussed very fully means of working together more closely for their mutual advantage. At that time it was agreed that each of the two groups, the producers and the manufacturers, should select a committee to meet in joint session in September to formulate plans for working in closer harmony. Seven representatives have been named by each group.

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COOPERATIVE ACTIVITY BY TEXAS COTTON ASSOCIATION

A budget system for the control of expenditures is being installed by the Texas Farm Bureau Cotton Association, Dallas, as a result of a recent decision by the Board of Directors. Budgets for the different departments are being prepared and it is proposed that the expenses of each department shall be kept within the limit established.

In consequence of the activity of the traffic department of the association, claims to the amount of \$64,018 were collected the past season. Of this sum \$4,847 represented overcharges on freight.

The cooperative cotton gin program of the association is being pushed forward rapidly. One of the new gins is already operating and a second is nearly ready to receive cotton. The machinery is being installed for two other associations and the construction work is being hastened on five plants. All will be ready to handle cotton in a few weeks.

These gins are largely local enterprises, the state association co-operating with the local cotton growers in establishing the gins. It is expected by the management that the accumulated earnings of the various plants will be sufficient in a few years to cover the original cost.

MISSISSIPPI ASSOCIATION LOST COTTON IN FLOOD

Large quantities of cotton belonging to the Staple Cotton Cooperative Association, Greenwood, Miss., were destroyed by the heavy floods in the Mississippi Valley. At Greenville, cotton to the value of \$1,600,000 was lost when the compress was swept away, with smaller quantities at four other points. All this cotton was insured and the association has received payment for the four smaller losses. As soon as settlement is made for the cotton lost at Greenville the association will be able to make final payment for the season to its members. Accounts and checks have been completed and are awaiting receipt of the insurance money. Practically all cotton of the 1926-27 pools has been sold, as well as the better grades carried over from 1925-26. The lower grades of the carry-over are being sold as rapidly as possible, with the hope that it will be possible to settle for the 1925-26 pools in the early fall.

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ASSOCIATION DISTRIBUTES ACALA COTTON SEED

The distribution of Acala cotton seed for planting, is the line of work undertaken by the Farm Bureau Planting Cotton Seed Distributors, Bakersfield, Calif. The company was organized in 1925 and in the year ending May 31, 1926, sold 828,432 pounds of seed for which the growers received \$30,090. The second season of 13 months, ending June 30, 1927, is considered by the directors a "very successful year" although there was a slight deficit.

Three grades of seed are handled: "parent seed," "superior seed," and "standard seed." The first two grades are placed only with those growers who can qualify, at oil mill prices plus cost of handling; the standard seed is sold at four cents a pound to consumer, f.o.b. original warehouse, cash on delivery. A deduction of one-half cent a pound is made by the Distributors to cover expenses of handling. In case all seed in the hands of the company is not sold as planting seed by May 15, the balance may be disposed of at oil mill prices. Returns from all sales are pooled and growers receive the average price less the half cent handling charge. Partial or installment payments are made to growers as receipts from sales justify. The directors reserve the right to classify all seed and to make selection of areas for the production of such grades, also to reject any seed considered unsuitable. Many regulations for picking and ginning are issued to growers.

COOPERATIVE POULTRY MARKETING IN SASKATCHEWAN

Plans for the cooperative marketing of Saskatchewan poultry are now being made by the management of the Saskatchewan Cooperative Poultry Producers, Ltd., Regina. Live birds are to be shipped from Regina, Saskatoon, North Battleford and Yorkton. The local units of the provincial association will assist in assembling carlots and half carlots. Poultry will be graded at the car door and the producer will be given an advance payment. Final payments will follow the sale of the poultry and the closing of the various pools. One-fourth of one cent a pound will be deducted from the final payment for the use of the local units. One-half cent a pound will be deducted for loading and shipping expense. About sixty cars of poultry were handled by this association during its first year of operation ending in March of 1927. Twenty-six cars were included in the Christmas pool.

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OPENING NEW OUTLETS FOR PACIFIC COAST EGGS

Considerable effort is being made by the management of the Washington Cooperative Egg and Poultry Association, Seattle, to find new outlets for the eggs delivered to the association by its members for marketing. A demand for "Washco" eggs is being developed among the merchants and consumers at isolated posts in Alaska. A steamship sailing recently from Seattle carried a large shipment of "co-op" eggs destined for such points as Nome, St. Michael, Teller, Golovin, Akutan and Unalaska.

Steamships bound for long cruises in the waters of the Orient are often supplied by the association. Only high quality, specially prepared eggs can be used to satisfy the demands of this market. The shells of the eggs are sealed with paraffin oil to safeguard the contents from deterioration and the absorption of undesirable odors. Special methods of packing are also used.

A representative of this association and several of the other Pacific Coast egg marketing organizations returned recently from Europe where he has been investigating the possibilities of finding outlets for Pacific Coast "co-op" eggs. He reports that there is a possibility for the development of a demand for a very high quality product. He points out, however, that in order to secure and hold trade it will be necessary that the quality of the eggs, the packages used, the prices asked, and the terms of payment, shall be entirely satisfactory to the European merchants and consumers. In his opinion, Europe can not be used as a dumping ground for surplus Pacific Coast eggs.

FARMERS' UNION MARKETS WOOL IN SOUTH DAKOTA

A new service was offered the farmers in the vicinity of Wimbledon, N. Dak., recently. The manager of the Farmers' Union Shipping Association at that point conceived the idea of assembling a large quantity of wool and advertising for sealed bids on the lot. Bids were asked for a certain day, all bids to be on a flat rate with no throwcuts or discounts. As a result 75,000 pounds of wool was brought to the assembling point and "Wool Day" was celebrated with closed stores, music and addresses. The highest bid came from a Chicago firm and the entire lot was sold for $32\frac{1}{4}$ cents a pound. The sale was handled by the Farmers' Union with no expense to the members except the local cost of weighing the wool and loading on cars, which amounted to three-quarters of one cent per pound. No other deductions were made and each grower received spot cash as soon as his wool was weighed.

Another year it is proposed to establish assembling points in each of the counties where the Farmers' Union is organized and market wool for all members direct to the manufacturers with the aid of the livestock department of the Union at South St. Paul.

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PECAN EXCHANGE STUDIES COLD STORAGE EFFECTS

Cold storage for pecans is considered advantageous by the National Pecan Growers' Exchange, Albany, Ga. Experience has shown, according to a report recently issued, that if properly cured, pecan nuts put in cold storage before they break down, and maintained at a temperature around 32 degrees, may be kept for one or two years, or possibly longer, and be in as good condition as when put in storage. Furthermore, it is stated by the management of the Exchange, that their keeping qualities after removal from storage are not impaired; that the flavor is as good as fresh nuts; and that they do not dry out and lose weight as new crop nuts do.

This information will have a number of advantages for dealers as well as for growers. Shipments of cold storage nuts can be made in ample time to supply the Hallowe'en and Thanksgiving demand. In the past it has been difficult to supply new crop pecans for the holiday trade as the harvest usually does not begin until November. Considerable saving will be effected for the producers in transportation charges as cold storage nuts can be shipped by freight instead of by express as has been necessary in the past to reach the Thanksgiving and Christmas markets. It will also be advantageous to dealers for the Exchange to know what tonnage it has to depend upon and whether a full order can be shipped.

OPERATIONS OF SOME OF SASKATCHEWAN'S COOPERATIVES

The Twentieth Annual Report of the Commissioner of Cooperation and Markets of the Province of Saskatchewan, shows that reports for 1926 business were received from 258 cooperative societies. A number failed to report, several new societies had not yet begun business, and several others were reported in process of dissolution. The 258 associations reporting had 14,948 shareholders, paid up capital to the amount of \$546,601, and handled supplies to the value of \$3,188,150. Thirty associations handling livestock handled 357 cars with a value of \$756,804, and other farm produce was marketed to the value of \$29,795, bringing total sales to the sum of \$3,974,751. Net earnings were \$120,409.

Two events of outstanding importance occurred during the year. The Saskatchewan Cooperative Elevator Company, Ltd., ceased to exist when its entire business was purchased by the Pool Elevators, Ltd., a subsidiary of the Saskatchewan Cooperative Wheat Producers, Ltd. The other important event was the amalgamation of the Saskatchewan Grain Growers' Association with the Farmers' Union of Canada, resulting in an organization known as the United Farmers of Canada, Saskatchewan Section.

Thirty new societies were registered during the year, five were dissolved, and 21 were removed from the register as they had ceased to carry on business.

The growth of cooperation in the province during the last 13 years is indicated by the figures given below. These figures, however, do not include those for a number of the large pools formed on a membership basis during the last few years:

Year*	Associations reporting	Share- holders	Paid up capital	Sales**		Net earnings
				Total	Relative	
	(Number)	(Number)				
1914	102	2,850	\$ 13,494	\$ 281,354	100	-----
1915	173	5,537	39,421	964,892	343	\$19,102
1916	279	9,444	92,940	2,122,832	754	54,076
1917	304	12,459	151,805	4,160,262	1479	110,921
1918	329	15,132	230,002	5,278,166	1876	93,146
1919	350	18,248	362,251	6,189,591	2200	115,557
1920	337	18,894	466,009	7,314,695	2600	191,819
1921	343	18,008	501,070	5,026,822	1787	135,493
1922	321	16,849	504,570	4,107,239	1460	110,997
1923	304	16,082	438,557	3,643,501	1295	96,110
1924	304	14,663	470,505	3,562,066	1266	66,644
1925	260	14,187	494,687	3,940,322	1400	91,181
1926	258	14,948	546,601	3,974,751	1413	120,409

* Ending April 30.

** Including supplies handled and farm products marketed

INCREASING ACTIVITY AMONG COOPERATIVES IN PALESTINE

Information regarding the cooperative societies of Palestine is presented in the fourth annual report of the Central Bank of Cooperative Institutions of Palestine covering the year ending August 31, 1926. During the year the Central Bank made 211 loans aggregating £E 130,112* to 61 cooperative societies and groups in 45 communities. These clients included cooperative agricultural settlements, industrial producers' cooperative societies, cooperative agricultural groups in colonies, rural credit cooperative societies, agricultural cooperative societies, and urban credit cooperative societies. This was an increase from 73 loans to the amount of £E 70,451 to 49 clients in the second year of operation, ending August 31, 1924. In the four years the Central Bank has made 393 loans to the amount of £E 310,737.

Of the 61 institutions to which the bank made loans in 1925-26, 21 were credit cooperatives, 31 were agricultural societies or groups, and 9 were miscellaneous. The agricultural societies received 69.1 per cent of the total loans. The purposes of the loans were as follows:

<u>Purpose of loan</u>	<u>Number of loans</u>
Operating capital.....	133
Advances on tobacco	9
Advances on oranges.....	7
Advances on grapes	4
Purchase of fodder	24
Purchase of fertilizer	10
Purchase of seeds	7
Advances on almonds	4
Purchase of livestock	5
Purchase of agricultural machinery and equipment..	6
Advances on legumes	2

On August 31, 1926, Palestine had 143 societies registered under the cooperative societies ordinance, compared with 90 one year earlier. These were classified as follows: credit cooperatives, 35; agricultural cooperatives, 21; industrial producers' societies, 16; land-purchase and building societies, 62; cooperative wholesale societies, 2; federations, 3; miscellaneous, 4. The Central Bank does not include within its scope the activities of the 62 land-purchase and building societies.

Twenty-nine of the registered credit cooperatives, 13 urban and 16 rural, reported 17,190 members, an average of 592 per society, and 7 agricultural societies reported 462 members, an average of 66 per society.

* Egyptian pounds. Par value \$4.943.

FARMERS BUY COOPERATIVELY THROUGH CONSUMER ASSOCIATIONS

Consumer cooperative associations in the United States numbered 1,703 in 1925, according to a recent report of the United States Bureau of Labor Statistics.* About half of the associations include farmers. In many instances the associations are made up almost entirely of farmers. This is especially true for the organizations in the Middle West agricultural states. Other associations located in the smaller cities are largely dependent upon their farmer patrons.

Fifty-six per cent of the consumer associations are in the North Central States. Of the total number, Kansas was credited with 211; Minnesota, 194; Nebraska, 168; Wisconsin, 101; Iowa, 100; Illinois, 86; Michigan, 76; Washington, 71; and Pennsylvania, 66.

Many different enterprises are included among the consumer associations. About ninety per cent of the total number are retail stores, more than three-fourths of the retail stores handle general merchandise. Some of the other enterprises are groceries, wholesale societies, gasoline filling stations, laundries, and associations for furnishing water supplies.

Data relative to length of life of the different types of associations indicate that about one-half of the retail stores have operated from five to ten years, a few stores have been functioning for more than a quarter of a century.

The total membership of the consumer associations in 1925 was estimated as 527,900. The average membership per association for those organizations from which detailed reports were received was 310. The average membership for stores handling general merchandise was 179, the average number of members for the grocery stores was 237, and for the stores handling groceries and meats, 563. The gasoline filling stations had an average membership of 516. The membership for 151 stores operating for the six years, 1920 to 1925, increased 1.5 per cent for the period, while 64 consumer associations other than stores showed an increase of 68 per cent in number of members for the six years.

Total sales for 1925 were estimated at \$179,739,800, while the average per association for those reporting was \$105,543. The average share capital per association was \$17,264, the average net earnings, \$5,075, and the average patronage refunds per association were \$4,568.

Many of the associations are annually setting aside money for educational work. This work is in some cases carried on through formal study groups and in other cases by the issuing of cooperative magazines, newspapers, leaflets, and circulars.

*Bulletin No. 437, Cooperative Movement in the United States in 1925 (Other than Agricultural.)

ILLINOIS HAS STATE OIL COOPERATIVE

One hundred seventy car loads of gasoline, kerosene and lubricating oils were handled in the first three months of operation by the Illinois Farm Supply Company, Chicago, the state organization engaged in buying and selling for the county oil and supply companies.

Twelve county cooperative associations are now affiliated with the state organization, and six more are in process of formation.

All fuel and motor oils are being bought on specifications, subject to laboratory tests to insure their high quality.

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LOCAL COOPERATIVES BUYING AND MARKETING IN TENNESSEE

Tennessee farmers are buying large quantities of supplies cooperatively through county farm bureaus and other local organizations. Small quantities of farm products such as wool, poultry and eggs are also being sold cooperatively through local organizations. Not infrequently marketing committees are appointed within the county farm bureaus to conduct collective buying and cooperative selling. In Bledsoe County more than 100,000 pounds of poultry and more than 3,000 pounds of wool were marketed for the members of the Bureau. Seeds to the value of nearly \$1,000 were purchased, also 94 tons of fertilizer.

In Wilson County wool and lambs were marketed, and seed potatoes, binder twine, tankage and fertilizer were purchased. In Gibson County eight car loads of lime were handled.

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COOPERATIVE BUYING IN NEBRASKA

Net earnings of \$23,477 for the first two quarters of 1927 were reported to the board of directors of the Farmers' Union State Exchange, Omaha, Neb., recently, whereupon the board decided to pay stockholders 4 per cent on their investment during the first half of the year.

The board of directors has been asked by two local associations to take over the cooperative stores which these associations are operating. The committees from the local associations pointed out that it would be possible under central management for better stocks to be carried in the stores and for better service to be rendered patrons.

Attention is being given by the board of directors to the joint purchasing program being developed by the state-wide cooperative buying associations operating in Iowa, South Dakota, Kansas, Missouri, and Colorado, and it was decided to pool orders for such items as binder twine, coal, salt and oyster shell, in order to get the lower prices and more favorable terms thus obtainable.

MUTUAL LIFE INSURANCE FOR FARMERS

The Iowa Farmers' Union Mutual Life Insurance Company, Des Moines, reports \$8,000,000 of insurance in force, with assets of over \$360,000 and a surplus in excess of \$40,000. It has over \$300,000 in farm loans to members. The company is a legal reserve company and cooperative. It is the national life insurance company of the Farmers' Educational and Cooperative Union of America and is admitted to do business in nine states.

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FARM BUREAU AUTOMOBILE INSURANCE IN ILLINOIS

The state automobile insurance company organized by the Illinois Agricultural Association began operations on April 1 and had issued 4,635 policies up to July 8, 1927. One reason for the popularity of the new policy is the knowledge that the company is owned and controlled by the farm bureau. One hundred seven claims had been received at the office up to June 30.

Ten district meetings were held in July to inform the farmers regarding accident prevention and farm bureau automobile insurance.

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MUTUAL INSURANCE FOR IOWA FARMERS

The Farmers' Union Mutual Insurance Company, Des Moines, Iowa, the property insurance department of the Iowa Farmers' Union, reports having been admitted recently to do business in Illinois and in North Dakota. Its expansion into these two states was due to the urgent invitation of the Farmers' Union in those states. Although less than two-and-a-half years old it has over \$17,000,000 of property insurance in force, and is adding to that at the rate of over a million dollars monthly. It has \$25,000 surplus and over \$125,000 assets. It is a legal reserve company and organized according to Rochdale cooperation principles.

August 8, 1927, was the biggest day so far in the history of the Company. Applications for more than \$230,000 of property insurance were received that day, carrying premiums of nearly \$3,500. The largest policy was for \$10,000 on a farm home in North Dakota. From this sum the policies ranged down to a few hundred dollars.

COOPERATION IN COLLEGES AND HIGH SCHOOLS

Fewer college students and more high school students are pursuing courses in cooperation than five years ago. At the same time more special courses dealing with the cooperative marketing of farm products and the cooperative purchasing of farm supplies are being given in universities, colleges, and high schools than ever before.

From information recently collected it appears that five special courses in cooperation were being offered by four institutions of higher education in 1915. Eight years later, 19 institutions were giving 23 special courses, with an average enrollment of about 45. During the school year of 1926-27, 32 colleges were giving 42 courses with an average enrollment of about 19. Seven courses given in 1921-22 and also in 1926-27 are credited with an average enrollment of 34 students in the earlier year and 24 in the later year.

Much of the instruction in cooperation in the university and college courses is given in the form of lectures. In about 40 per cent of the courses for which information was obtained the time is evenly divided between lectures and recitations. In two instances the courses consist entirely of discussions. Twenty-seven colleges report that problems are assigned to the students, and in 26 of the colleges original work is required.

Reports from nearly one-half of the Smith-Hughes schools indicate that instruction in cooperation is being given in about 85 per cent of the schools. In 5 per cent special courses are given, and in 55 per cent instruction regarding cooperation is given in connection with commodity projects. It is estimated that 50,000 students in these schools are learning about the cooperative method of marketing. From the data collected it appears that the first instruction in this subject in an agricultural high school was given by a school in New York State in 1908. In 1913 an agricultural high school in Massachusetts offered a course in cooperation.

Reports from 248 schools which were giving instruction in cooperation in 1923-24 or earlier and also in 1926-27, show an increase in the number of students from 3,543 to 4,507. This is an increase in the average number of students per school from 14 to 18. The largest gains in enrollment were made by the schools in New England.

Seventy-four schools in 25 states gave special courses in cooperation. Nearly 1,400 students in 203 schools in 40 states were members of cooperative associations. This is an average of nearly 7 per school. The average for eight schools in North Carolina was 17.

About 5,000 students in 467 schools in 45 states were the sons and daughters of members of cooperative associations. Ohio led the states with 485 students in 53 schools who were the children of co-operators.

A. W. McKay.

PLEDGES OF MEMBERSHIP BEFORE INCORPORATION

In rendering an opinion in the case of Collins v. Morgan Grain Company, 16 F. (2d) 253, the court discussed the question of contracts made prior to incorporation and clearly set forth principles that are of significance to all engaged in forming cooperative associations. The following is taken from the opinion:

Agreements to subscribe for stock of corporations to be formed in the future may assume different forms, with different results. For example, if an individual acting singly and without cooperation with others, offers to take stock in such a corporation, all the authorities agree that the offer may be rescinded or revoked at any time before the corporation is formed and the offer accepted; this upon the familiar principle that it takes two parties to make a contract, and that, if one is not bound, the other is not, in other words, that a mere unaccepted offer can not in the nature of things constitute a binding contract.

Again such an agreement may assume a double aspect, as where a number of persons agree to form a corporation and to subscribe to its capital stock. Such an agreement constitutes a contract as between the subscribers themselves, operative at once, and it likewise constitutes a continuing offer to the proposed corporation, which upon acceptance, becomes as to each subscriber a contract between him and the corporation. Some of the authorities hold that contracts of the latter class are irrevocable without the consent of all the parties thereto; but there is usually found in such cases some element of estoppel.

L. S. Hulbert

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CALIFORNIA FRUIT GROWERS WIN IN PATENT CONTROVERSY

The District Court of the United States for the Southern Division of the Southern District of California decided in favor of Blake, Moffitt & Towne their patent infringement suits against the California Fruit Growers Exchange, the La Habra Fruit Growers Association, and the Yorba Linda Citrus Association, which were consolidated for trial. On appeal to the Circuit Court of Appeals, Ninth District, the judgment of the lower court was reversed. 19 F. (2d) 467.

Blake, Moffitt & Towne were manufacturers of wrappers and paper supplies used in packing, and sold guards and strips, short and long and other supplies to many citrus fruit packers in California. As long as the prices were satisfactory, their relations with the California

Fruit Growers Exchange and those associations joined with it in this case were apparently satisfactory, but when the latter made complaint of the prices asked, they were informed that the end guards were patented and that the prices charged were not open to question by the Association. This case involves the question of whether or not a certain letters patent relating to a fruit package owned by Blake, Moffitt & Towne was infringed by the California Fruit Growers' Exchange.

The patent specifications set forth that in boxing oranges, for example, the oranges in the upper layer project above the edges of the box, so that when the cover is laid upon the oranges and is pressed down, the oranges at the top often have their skins squeezed between the cover and the upper edge of the box, thus bruising the skin of the orange, causing decay. The object of those designing this device was to provide means, which would become part of the package itself, and which would serve to prevent the fruit from being damaged. To attain that end the patentees provided what they call an end guard; that is a piece of cardboard which is bent along a creased line at right angles adjacent to the two ends to form inturned wings.

The patent has four claims, but only claim 3 is involved in this case. It reads as follows: "A fruit package comprising a box for holding the fruit, a guard consisting of a sheet of self-supporting, flexible material having inturned wings at each end thereof; said guard being arranged between the edge of the box and the fruit, with its winged portions fitting the corners of the box, said guard preventing contact of the fruit with the edge of the box when the cover is applied."

It is shown that straight pieces of cardboard or other flexible material have long been used by fruit packers at the ends of the boxes to protect fruit against abrasion. Sometimes the straight strips were so long that they were bent near the ends, and thereby extended along the sides of the box. Whether with or without bent ends, the manner of operation is substantially the same.

The court observed that by using cardboard with wings, the fruit in the corners of the box is better guarded against friction with the sides of the box, but stated it was unable to see that the lengthening of the guard, provided with inturned wings at each end, involved invention within the protection of the patent laws, and further said:

As we view it, the patentee only carried forward the original thought of using cardboard on the ends by making a slight change in construction, which did the same thing in the same way by substantially the same means, but with some increased capacity for usefulness. . . . We hold that claim 3 of the patent is void for lack of invention and must therefore reverse the decree and remand the case with directions to dismiss the complaint.

H. M. Bain.

MARKETING THE PINTO BEAN IN COLORADO

A pamphlet issued in July by the Colorado Director of Markets, Denver, entitled "Marketing the Pinto Bean," is described as "A handbook on the practical application of marketing principles in the cooperative sale of one of Colorado's chief farm commodities." The booklet is based on a study of the bean marketing industry of the entire United States. It was prepared by officials of the Colorado Bean Growers' Association to assist growers to a better understanding of bean marketing and encourage them in a study of their own marketing problems.

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ALBERTA WHEAT POOL ISSUES HANDBOOK FOR CANVASSERS

A "Canvasser's Handbook" has been issued by the department of education of the Alberta Cooperative Wheat Producers, Limited, Calgary. The first pages of instructions to canvassers are followed by information about the wheat pool. Ten reasons are given why growers should belong to the wheat pool; several pages are devoted to the pool's operating costs, with figures from the audits of each of the last three years. The Alberta pool elevator program is stated concisely, and a number of reasons are given why members should patronize pool elevators, also reasons why the pool uses a contract.

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A YEAR BOOK AND COOPERATIVE SCHOOLS

Publication of a year book for 1927 was decided upon at the sixth annual convention of the Northern States Cooperative League held in Minneapolis, July 17 and 18, 1927. This publication will be similar to those issued for 1925 and 1926. It is proposed, however, to give the 1927 book a somewhat wider distribution than was possible for two earlier publications.

It was also decided by the convention to arrange to give a course in cooperation for those interested in the subject. The suggestion was made that the course be given immediately following the cooperative school to be conducted under the auspices of the Cooperative Central Exchange, Superior, Wis., beginning September 12 and continuing for eight weeks. As the Exchange's school will be in the Finnish language and the League's school in the English language it was thought that some students would want to attend both schools.

REPORTED BY THE ASSOCIATIONS

The Leeds Industrial Cooperative Society, Leeds, England, organized in 1847, recently celebrated its 80th anniversary and the attainment of a membership of 100,000, largely working people. During the 80 years the society has had a turnover amounting to \$430,000,000 and earnings of \$45,000,000.

The newest addition to the list of house organs is the "C. V. A. Bulletin," a four-page sheet, issued by the California Vineyardists' Association, Fresno and San Francisco. The various issues of the publication are given to details regarding the program and the progress of the organization it represents.

In the three months ending July 2, 1927, the sales of the Poultry producers of San Diego, Inc., San Diego, Calif., reached a total of \$98,133, of which the producers received \$92,622, or 94.38 per cent. Other income amounted to \$3,408 and expenses were \$7,970, leaving the sum of \$1,048 as excess receipts over expenditures for the quarter.

Grain, hay, livestock, potatoes, fertilizer, coal, and other commodities, to the amount of 749 car loads, were handled by the Galion Equity Exchange Company, Galion, Ohio, in the year ending May 31, 1927. The Exchange has a paid-in capital of \$36,000 and a surplus of \$28,000. Sales for the year totalled \$426,409, with net earnings of \$12,012.

As a result of the activities of the Oklahoma Division of the Farmers' Educational and Cooperative Union of America, patronage refunds to the amount of \$798 were made during the first six months of 1927. In addition, \$6,135 was carried to surplus. Gross income was \$57,865, consisting of sales and commissions on twine and general merchandise.

California fruit growers purchased cooperatively last year through their own agency, the Fruit Growers' Supply Company, Los Angeles, about 100,000,000 feet of lumber for box shooks, 25,654 kegs of nails, 16,060,998 labels, 6,125 tons of tissue wrappers for fruit, 9,000,000 gallons of heater oil for use in frost prevention work, 13,000 tons of commercial fertilizers, and 39,225 tons of manures.

"Equality for Agriculture" was the slogan of a tour made by the president and officers of the Tennessee Cotton Growers' Association, Memphis, Tenn., during the last half of August. Eighteen meetings were held with member-growers in various parts of the cotton-producing area. Problems which needed for solution the united support of officers and members were presented and frankly discussed.

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- Cooperative Marketing Journal, Memphis, Tenn., August, 1927. Contents: Hagen, Roy M. Direct Selling of Livestock; Jardine, William M. Progress of Cooperation; McKay, A. W. Cooperative Marketing in Our Educational System; Adams, E. R. The Marketing of California's Surplus Rice Crop; Palmer, L. B. Problems of Cooperative Wool Marketing.
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- Jardine, W. M. Success of Cooperatives Dependent on Democratic Control. Citrus Leaves, Redlands, Calif., August, 1927, p. 5.
- Knapp, Joseph G. The Experience of Kansas with Wheat Pools. Journal of Farm Economics, July, 1927, p. 318.
- Land O'Lakes Successful Cooperatives. Farm and Ranch Dallas, Texas, August 6, 1927, p. 20.
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- Stout, E. J. Cooperative Marketing and the Schools: A New Service That Schools Can Render. Successful Farming, Des Moines, Iowa, August, 1927, p. 10.
- Taber, Harry B. New Contract Offers Short Pools. Farm and Ranch, Dallas, Texas, August 6, 1927, p. 20.
- Taylor, P. R. The Need for a Definite Sales Policy. Keystone Cooperation, April, 1927, p. 3.
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